



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** April 27, 2010

**TO:** Mayor and Councilmembers

**FROM:** Engineering Division, Public Works Department

**SUBJECT:** Interim Agreements For Possession And Use Of Property Interests  
For The Ortega Street Bridge Replacement Project

**RECOMMENDATION:** That Council:

- A. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara to Authorize the Public Works Director to Negotiate, Subject to Review and Approval by the City Attorney of their Forms, Two Interim Agreements with Mission Creek Properties, LLC, the Owner of the Property Commonly Known as 306 West Ortega Street, Namely an Agreement for Possession and Use, and an Interim Vacancy Agreement, and to Subsequently Execute such Agreements, Relating to the Proposed Ortega Street Bridge Replacement Project;
- B. Accept Federal Highway Administration (FHWA) Highway Bridge Program grant funding in the total amount of \$197,015; and
- C. Authorize the increase of estimated revenues and expenditures by \$197,015 in the Fiscal Year 2010 Streets Capital Fund for the Ortega Street Bridge Replacement Project (Project).

### **DISCUSSION:**

#### Background

The Ortega Street Bridge Replacement Project will replace the old bridge over Lower Mission Creek. The Project is an approved Federal Highway Bridge Program project with oversight provided through the State of California Department of Transportation (Caltrans). The Project is scheduled to begin construction in spring 2011.

The City must purchase various property interests for the Project. Written offers have been made to affected owners. The properties and their status in the acquisition process are shown on Attachments 1 and 2, and the interests are outlined on Attachment 3. To date, the City's purchase offers have been accepted by the owners of the following properties: 309 West Ortega Street, 314 West Ortega Street, 627 Bath Street, 631 Bath Street, and 620 Castillo Street. The respective purchase agreements were recommended for approval by Council and steps are ongoing by Staff to finalize these purchases.

### Interim Agreements at 306 West Ortega Street

Efforts are ongoing to obtain a signed purchase agreement with Mission Creek Properties, LLC (Mission Creek Properties), the owner of the property at 306 West Ortega Street. Because the timeline to obtain the remaining interest could delay the Project schedule, it is recommended that the City negotiate and execute interim agreements with the respective owners. Such interim agreements would allow other Project milestones to be completed on schedule, while efforts continue to acquire the remaining property by the deadline set by Caltrans for advertising the Project.

The property at 306 West Ortega Street is a portion of the property having residential rental units at 306, 308, and 310 West Ortega Street, and 701, 705, and 709 Bath Street, all owned by Mission Creek Properties. The rental unit known as 306 West Ortega Street is required for the Project, and Staff awaits receipt of a signed purchase agreement with Mission Creek Properties, pending its receipt of an independent appraisal.

The Resolution recommended above is proposed to allow the Public Works Director to negotiate and execute an Agreement for Possession and Use with Mission Creek Properties, subject to review as to the form by the City Attorney. If successfully executed, with advice by Caltrans, such an agreement would allow the City's early possession of the necessary property.

The Resolution will also allow the Public Works Director to negotiate and execute an Interim Vacancy Agreement with Mission Creek Properties, subject to review as to the form by the City Attorney. An Interim Vacancy Agreement is proposed because the tenants of the rental unit will be relocated to comparable replacement housing in accordance with applicable laws, to make way for the Project. If successfully executed, an Interim Vacancy Agreement will enable the City to rent, with no intent to occupy, the vacant unit after the current tenants have moved to avoid possible occupancy by new tenants. The proposed Interim Vacancy Agreement would remain in effect until the City obtains ownership of the property by a deed, possession of the property under a superseding possession and use agreement, or possession of the property in accordance with eminent domain procedures, if necessary.

### **BUDGET/FINANCIAL INFORMATION:**

The table shown on Attachment 4 summarizes all estimated Project costs. The total cost is estimated at \$6,790,400, with combined costs estimated at \$2,150,000 for acquiring the necessary property interests. Acceptance of \$197,015 in FHWA grant funding is required for associated Project right of way expenses.

In addition to payment of costs for the purchase of properties and easements required for the Project, it is necessary to pay costs for the relocation of displaced occupants pursuant to federal and state laws and guidelines. A relocation plan has been prepared. Once all displaced occupants have been relocated to replacement dwellings, the final costs will be known. The associated costs will also be shared between the City (11.47%), and grant funding (88.53%), in accordance with applicable guidelines and the formula shown on Attachment 4.

The tenants at 306 West Ortega Street will be displaced because the rental unit is located within the work area and will not be habitable during the Project. If an Interim Vacancy Agreement is executed, as recommended, the City's rental of the unit is proposed in the amount of \$1,675 per month (\$55.83 per day), to begin after the tenants vacate the unit.

There are sufficient appropriations in the Streets Capital Fund to cover the City's costs.

**ATTACHMENTS:**

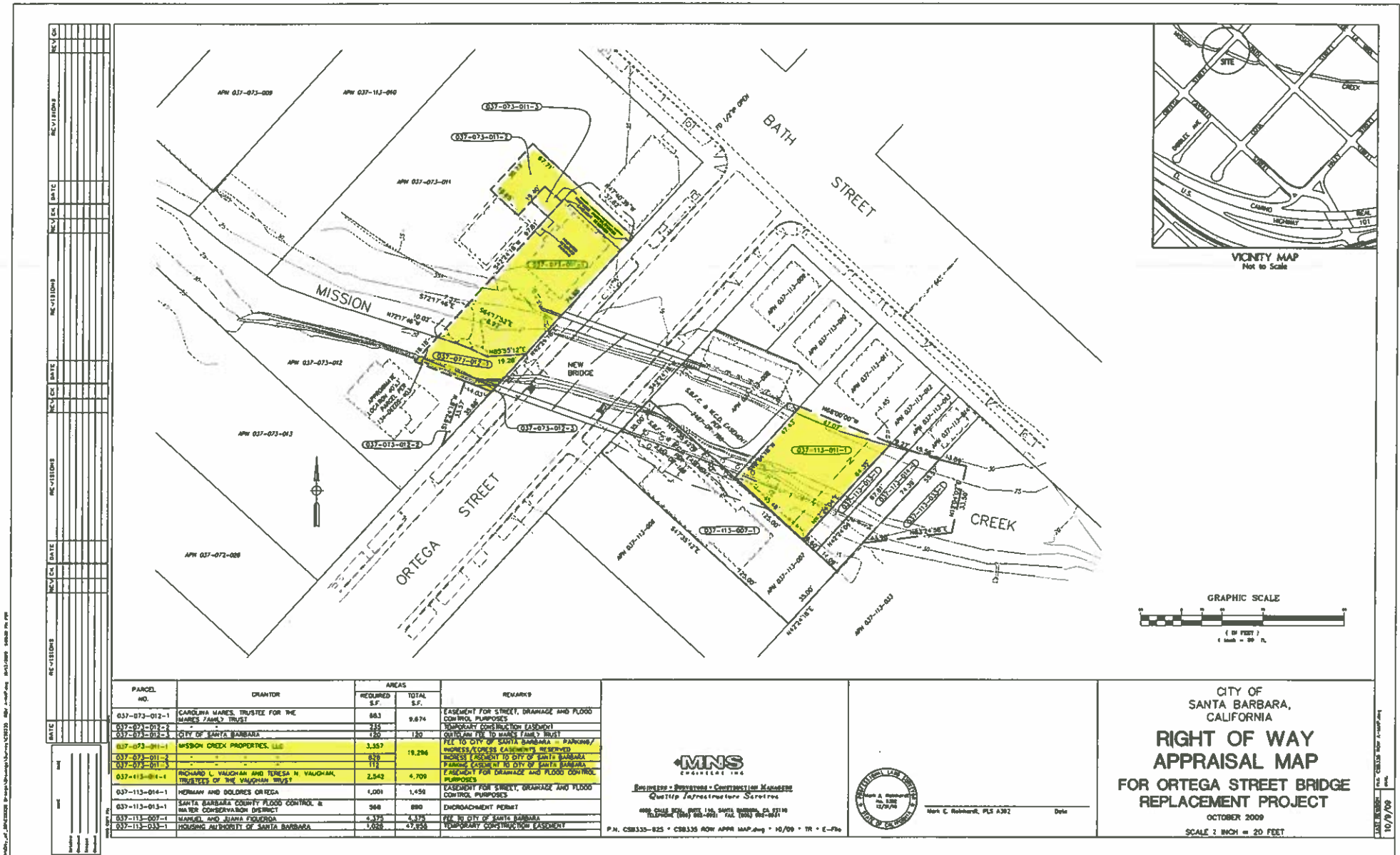
- 1) Right of Way Appraisal Map
- 2) Project Area Aerial Photo
- 3) Acquisitions And Easements For Ortega Street Bridge Replacement Project
- 4) Estimated Total Project Cost

**PREPARED BY:** John Ewasiuk, Principal Civil Engineer/DI/kts

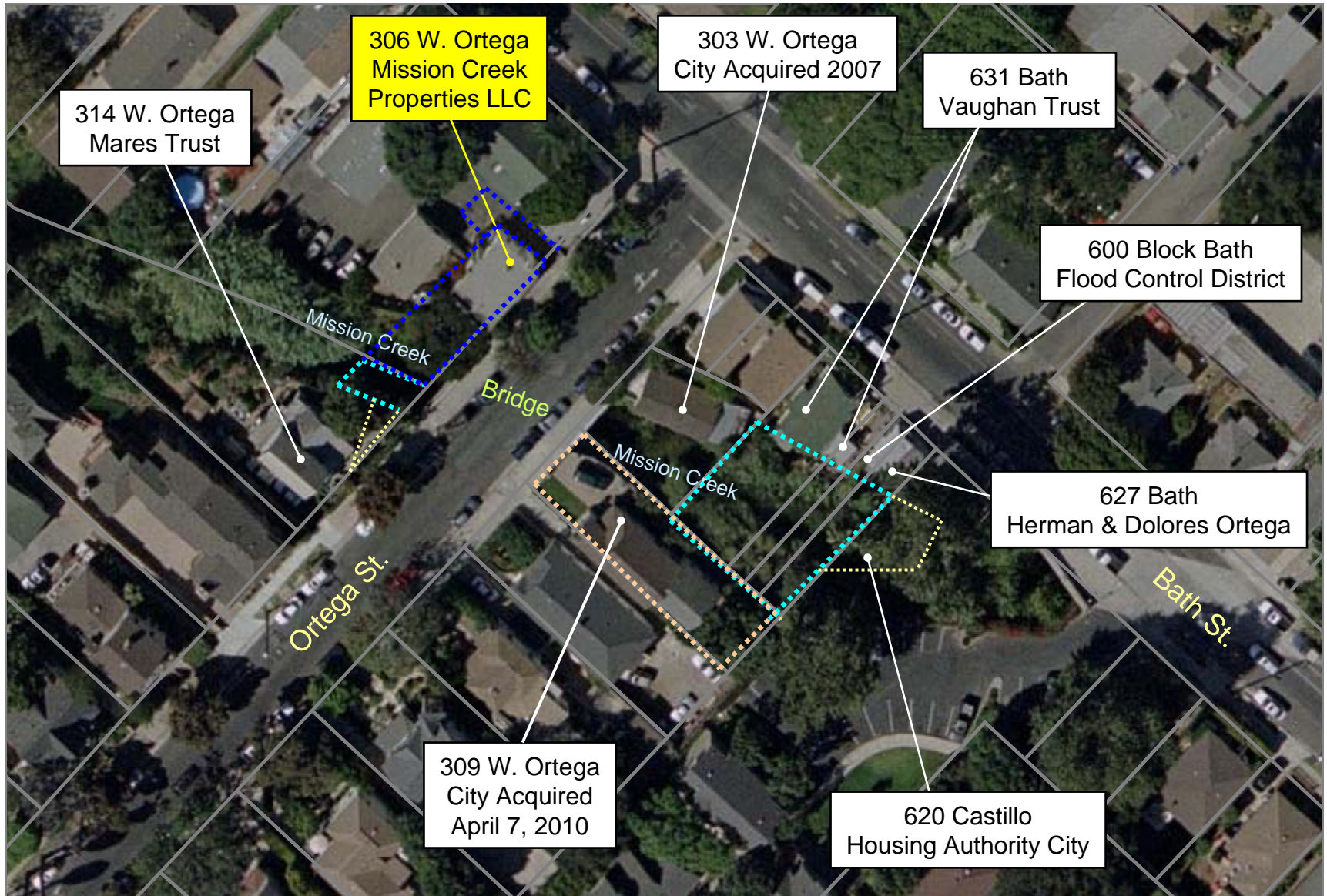
**SUBMITTED BY:** Christine F. Andersen, Public Works Director

**APPROVED BY:** City Administrator's Office

# ATTACHMENT 1







**PROJECT AREA AERIAL PHOTO**

### ATTACHMENT 3

#### Acquisitions And Easements For Ortega Street Bridge Replacement Project

The properties and easements needed for the Ortega Street Bridge Replacement Project are identified below.

Address	Description	Status
303 West Ortega Street, City Property	Entire Property; Structure Located Within Mission Creek Work Area	City Acquired 2007
<b>306 West Ortega Street, Mission Creek Properties LLC</b>	<b>Portion Property in Fee; Vehicle Easement; Structure Located Within Mission Creek Work Area</b>	<b>Offer Pending Await 2<sup>nd</sup> Appraisal Proposed Resolution for Interim Agreements This Item April 27, 2010</b>
309 West Ortega Street, City Property	Entire Property; Structure Within Mission Creek Work Area	Agreement 23,296 Closed April 7, 2010
314 West Ortega Street, Mares Family Trust	Temporary Construction Easement; Mission Creek Easement	Proposed Resolution and Ordinance for Quitclaim Scheduled April 27, 2010
620 Castillo Street, Housing Authority of City	Temporary Construction Easement for Work in Mission Creek	Proposed Resolution Scheduled April 27, 2010
627 Bath Street, Herman & Dolores Ortega	Mission Creek Easement	Proposed Resolution Scheduled April 27, 2010
600 Block Bath Street, County Flood Control District	Encroachment Permit for Work in Mission Creek	Permit Pending
631 Bath Street, Vaughan Trust	Mission Creek Easement	Proposed Resolution Scheduled April 27, 2010

**ESTIMATED TOTAL PROJECT COST**

<b>PROJECT PHASE</b>	<b>HBP SHARE*</b>	<b>CITY SHARE</b>	<b>ESTIMATED COSTS</b>
Design Phase	\$783,225	\$101,475	\$884,700
Right-of-way Phase	\$1,903,395	\$246,605	\$2,150,000
Construction Phase	\$3,324,920	\$430,780	\$3,755,700
<b>Totals</b>	<b>\$6,011,540</b>	<b>\$778,860</b>	<b>\$6,790,400</b>

*\* Federal Highway Bridge Program (HBP)*

The table above shows total estimated Project costs. The Project is currently in the Right of Way Phase and has been authorized up to \$2,150,000 (per written approval by Caltrans).

Caltrans is overseeing the City's steps to purchase all properties and easements for the Project, since 88.53% of the City's eligible project costs and right of way costs will be reimbursed by the Federal Highway Bridge Program through Caltrans. The City will be responsible for 11.47% of the eligible costs.

Based on the approved appraisals, previous acquisition costs, estimated relocation costs, and anticipated management costs, the Project Right-of-way Phase cost is expected to have a surplus of funds.